

## News Release

For Immediate Release

Contact Judge Michael R. Hogan, 541-431-4150

December 12, 2006

The mediators appointed by the United States Bankruptcy Court for the District of Oregon, United States District Judge Michael R. Hogan and Oregon Circuit Judge Lyle C. Velure, are pleased to announce that we expect a Joint Plan of Reorganization and Disclosure Statement to be filed for the Archdiocese of Portland in Oregon on December 18, 2006. This Joint plan of Reorganization will be submitted by the Roman Catholic Archbishop of Portland in Oregon, the Tort Claimant's Committee, and the Future Claimant's Committee

The vast majority of the known tort claims were settled during the mediation process. The Joint Plan anticipates approval of the agreed resolution of these known tort claims and that these claims will be paid upon confirmation. The parties have agreed that the mediators will determine a settlement value of the few remaining known unresolved tort claims and the Archdiocese has agreed to pay those claims upon confirmation for those claimants who accept those settlement values within a prescribed period of time. The Joint Plan also contemplates resolution and payment of future tort claims and all other categories of claims.

The Joint Plan also anticipates approval of the agreed resolution of all insurance coverage litigation between the Archdiocese and relevant insurance companies.

The Joint Plan also provides for a Post-Confirmation Structure of the Archdiocese; specifically, that the Archdiocese will restructure the Archdiocese, Parishes, and Schools into one or more charitable entities legally separate from the Archdiocese, including transfer of properties among those entities.

The Joint Plan also anticipates approval of settlement provisions concerning real property of the Archdiocese, Parishes and Schools and the settlement of other related litigation.

The mediators note with gratitude and admiration the prodigious and co-operative efforts of all parties and counsel in this mediation process